

Message Text

UNCLASSIFIED

PAGE 01 VIENNA 05204 01 OF 03 081247Z

ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-11
AID-05 CIAE-00 COME-00 EB-08 FRB-01 INR-10
NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07 CEA-01
AGRE-00 DOE-15 SOE-02 L-03 OIC-02 OES-07 /193 W
-----113336 081316Z/45

R 081229Z JUN 78

FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 6705
INFO USMISSION GENEVA
USMISSION USUN NEW YORK

UNCLAS SECTION 01 OF 03 VIENNA 05204

UNIDO

E.O. 11652: N/A

TAGS: OCON, UNIDO

SUBJ: IDB-XII, US DEL REPORT ON CONSIDERATION OF SYSTEM OF
CONSULTATIONS UNDER AGENDA ITEM 8

1. SUMMARY. PLENARY DEBATE REVEALED WIDESPREAD CONSENSUS
THAT SYSTEM OF CONSULTATIONS HAS PROVED USEFUL WHEN PURSUED
IN PRAGMATIC FASHION AND THAT ACTIVITIES SHOULD BE CON-
TINUED WITH DUE REGARD FOR AVAILABLE RESOURCES. BOARD
AUTHORIZED CONSULTATIONS IN 1978-79 ON AGRICULTURAL
MACHINERY AND PETROCHEMICALS INDUSTRIES AND APPROVED CON-
TINUATION OF PREPARATORY WORK ON OTHER SECTORS, WITH
PRIORITY TO AGRO-BASED INDUSTRIES. SEVERAL OTHER QUESTIONS,
INCLUDING SECOND CONSULTATIONS IN SOME SECTORS AND "GLOBAL"
CONSULTATION ON FINANCING, WERE REFERRED TO FUTURE SESSIONS
OF BOARD OR PERMANENT COMMITTEE (PC). ONE OF IMPORTANT
ISSUES TO BE FACED NEXT YEAR WILL BE POSSIBILITY OF FINANC-
ING PARTICIPATION OF LEAST DEVELOPED COUNTRIES, ON WHICH
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 VIENNA 05204 01 OF 03 081247Z

SECRETARIAT HAS BEEN INSTRUCTED TO PREPARE A REPORT. END
SUMMARY.

2. UNIDO'S SYSTEM OF CONSULTATIONS WAS THE PRINCIPAL FOCUS
OF ATTENTION UNDER THE GENERAL HEADING OF AGENDA ITEM 8,
FOLLOW-UP AND RECOMMENDATIONS OF THE SECOND GENERAL CON-
FERENCE OF UNIDO, AND STIMULATED MORE PLENARY STATEMENTS

THAN ANY OTHER ISSUE AT IDB-XII. THIS INTEREST WAS UN-
DOUBTEDLY DUE IN PART TO THE HIGH QUALITY OF THE
SECRETARIAT'S DOCUMENTATION (ID/B/204) WHICH DESCRIBED
THE DEVELOPMENT OF THE SYSTEM OF CONSULTATIONS TO DATE AND
LAID OUT CLEARLY THE ISSUES FOR DECISION BY THE BOARD.
SOME FORTY MEMBERS AND OBSERVERS SPOKE ON THE ITEM AND
THEIR INTERVENTIONS REFLECTED A HIGH DEGREE OF CONSENSUS
ON MOST MAIN POINTS.

3. SECRETARIAT'S INTRODUCTION RECALLED THAT SYSTEM IS STILL
IN EXPERIMENTAL STAGE AND THIS POINT WAS PICKED UP BY
OTHERS, ESPECIALLY DC SPEAKERS. ALMOST ALL THOUGHT
EXPERIENCE TO DATE HAD BEEN GENERALLY POSITIVE. IN THIS
CONNECTION U.S. EMPHASIZED THAT CONSULTATIONS WILL BE MOST
SUCCESSFUL "WHEN THEY ARE CAREFULLY PREPARED, TAKING INTO
ACCOUNT THE VIEWS OF A WIDE VARIETY OF INTERESTED PARTIES,
INCLUDING EXPERTS FROM DEVELOPED AND DEVELOPING COUNTRIES;
WHEN PARTICIPATION IS BROAD AND INCLUDES INDUSTRIALISTS,
LABOR REPRESENTATIVES FROM DEVELOPED AND DEVELOPING
COUNTRIES; WHEN DISCUSSION IS FOCUSED PRAGMATICALLY ON
IDENTIFYING THE OPPORTUNITIES AND THE CONSTRAINTS FACING
THE LDC'S IN THEIR ATTEMPTS TO EXPAND THEIR CAPACITY IN
SECTORS IN QUESTION; AND WHEN THE REPORT OF THE CONSULTA-
TION FAITHFULLY REFLECTS ALL SIGNIFICANT VIEWS EXPRESSED
BY PARTICIPANTS AT THE MEETING." MANY OTHERS, INCLUDING
LDC'S, ALSO SUPPORTED "PRAGMATIC" APPROACH. USSR WAS MOST
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 VIENNA 05204 01 OF 03 081247Z

NEGATIVE; IT RAISED NO OBJECTION IN PRINCIPLE TO CONSUL-
TIONS BUT SAID THEY SHOULD NOT BE USED "TO HELP PRIVATE
ENTREPRENEURS INCREASE THEIR PROFITS."

4. THERE WAS GENERAL SUPPORT FOR CONVENING CONSULTATIONS
ON TWO ADDITIONAL SECTORS DURING 1978-79, ALTHOUGH VIEWS
DIFFERED ON WHICH TWO SECTORS SHOULD BE CHOSEN (AGRI-
CULTURAL MACHINERY AND PETROCHEMICALS EVENTUALLY WERE).
THERE WAS ALSO SUPPORT IN PRINCIPLE FOR SECOND CONSUL-
TIONS IN SOME SECTORS BUT U.S. AND MANY OTHER SPEAKERS,
INCLUDING SOME FROM LDC'S, CAUTIONED AGAINST OVERLOADING
SECRETARIAT RESOURCES. SOME LDC'S SUPPORTED PROPOSAL FOR
GLOBAL CONSULTATION ON FINANCING OF INDUSTRIAL DEVELOPMENT
BUT AT LEAST TWO -- ARGENTINA AND PAKISTAN -- JOINED DC'S
IN POINTING OUT NEED TO AVOID DUPLICATION OF WORK OF IFI'S
AND OTHER INTERNATIONAL ORGANIZATIONS. SEVERAL SPEAKERS,
NOTABLY THE UK, SUPPORTED UNIDO'S FINANCING OF PARTICI-
PANTS FROM LEAST DEVELOPED COUNTRIES, A CONCEPT WHICH
WAS TOUCHED UPON IN DOCUMENTATION BUT WAS NOT LISTED AS AN
ISSUE FOR DECISION; U.S. AND FRANCE EXPRESSED RESERVATIONS
AND SUGGESTED ANY SUCH PROPOSAL WOULD REQUIRE CAREFUL
ANALYSIS OF FINANCIAL AND OTHER IMPLICATIONS.

5. BEFORE PLENARY DEBATE HAD BEEN COMPLETED A WORKING GROUP WAS FORMED TO MEET CONCURRENTLY AND ATTEMPT TO DRAFT MUTUALLY SATISFACTORY SET OF CONCLUSIONS FOR ADOPTION BY BOARD. FOLLOWING PARAGRAPHS DESCRIBE RESULTS OF NEGOTIATIONS IN WORKING GROUP ON SIGNIFICANT ISSUES:

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 VIENNA 05204 02 OF 03 081255Z

ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-11
AID-05 CIAE-00 COME-00 EB-08 FRB-01 INR-10
NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07 CEA-01
AGRE-00 DOE-15 SOE-02 L-03 OIC-02 OES-07 /193 W
-----113439 081316Z /45

R 081229Z JUN 78

FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 6706
INFO USMISSION GENEVA
USMISSION USUN NEW YORK

UNCLAS SECTION 02 OF 03 VIENNA 05204

(A) NEW SECTORS FOR CONSULTATION. IT WAS AGREED THAT "FIRST CONSULTATION MEETINGS IN THE BIENNIAL 1978-1979 SHOULD BE CONVENED ON TWO SECTORS, NAMELY AGRICULTURAL MACHINERY AND THE PETROCHEMICAL INDUSTRY." G-77 EFFICIENTLY MADE THE CHOICE OF SECTORS. THERE WAS GENERAL SUPPORT FOR AGRICULTURAL MACHINERY (WHICH ITALY HAS OFFERED TO HOST IN TURIN IN JUNE 1979) BUT ON THE SECOND SECTOR, THE G-77 WERE CLEARLY SPLIT BETWEEN THE OIL PRODUCING LDC'S WHO FAVORED PETROCHEMICALS AND OTHERS WHO FAVORED AGRO-BASED INDUSTRIES. AT ONE STAGE THE G-77 SPOKESMAN ASKED THE SECRETARIAT TO SURVEY THE PLENARY STATEMENTS FOR INDICATIONS OF PREFERENCE; THE RESULT: 17 FOR AGRICULTURAL MACHINERY, 16 FOR AGRO-BASED INDUSTRIES; 15 FOR CAPITAL GOODS. DESPITE THESE RESULTS, THE G-77 OPTED FOR PETROCHEMICALS BUT THEY ALSO INSISTED THAT AGRO-INDUSTRIES BE GIVEN SOME PRIORITY IN PREPARING FOR A FURTHER DECISION IN FUTURE (SEE BELOW). UK PUSHED HARD FOR PHARMACEUTICALS (UK PHARMACEUTICAL INDUSTRY IS PREPARED TO HELP FINANCE HOLDING OF CONSULTATION IN LONDON) BUT RETREATED WHEN IT

SAW LIMITED ENTHUSIASM AMONG LDC'S.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 VIENNA 05204 02 OF 03 081255Z

(B) FUTURE ADDITIONS TO SECTOR LIST. IT WAS AGREED SECRETARIAT SHOULD CONTINUE PREPARATORY WORK ON AGRO-BASED INDUSTRIES, CAPITAL GOODS, AND PHARMACEUTICALS, WITH PRIORITY ON THE FIRST OF THESE, AND REPORT TO IDB-XIII "WITH A VIEW TO CONVENING A CONSULTATION MEETING ON AGRO-BASED INDUSTRIES IN 1980, IF APPROVED BY THE BOARD AT THAT SESSION." THIS REMANDING OF DECISION TO IDB-XIII REPRESENTS COMPROMISE WITH THOSE IN G-77 WHO WANTED COMMITMENT TO A FURTHER CONSULTATION NOW.

(C) SECOND CONSULTATIONS ON LEATHER AND VEGETABLE FATS AND OILS INDUSTRY. LARGELY AT U.S. INSISTENCE, IT WAS AGREED TO CONVENE THESE SECOND CONSULTATIONS ONLY WHEN BOARD "HAS DETERMINED THAT THE PREPARATORY WORK FOR THESE MEETINGS RECOMMENDED BY THE FIRST CONSULTATION MEETINGS HAS BEEN COMPLETED." THIS PUTS OFF THE DECISION FOR AT LEAST ANOTHER YEAR.

(D) GLOBAL CONSULTATION ON FINANCING OF INDUSTRIAL DEVELOPMENT. WE SUCCESSFULLY RESISTED PRESSURE FROM SECRETARIAT AND SOME LDC'S FOR AUTHORIZATION FOR THIS CONSULTATION. IT WAS AGREED THAT SECRETARIAT SHOULD "GATHER ALL THE NECESSARY INFORMATION" AND REPORT TO IDB-XIII

UNCLASSIFIED

"IN ORDER TO ENABLE THE BOARD TO CONSIDER THE CONVENING, AT AN APPROPRIATE TIME, OF A CONSULTATION MEETING." GROUP D RESISTED SPECIFIC MANDATE TO SECRETARIAT TO CONSULT WITH FINANCIAL ORGANIZATIONS BUT IT IS UNDERSTOOD THIS IS ENCOMPASSED BY "GATHERING ALL THE NECESSARY INFORMATION."

(E) UNIDO/UNESCO/ILO AD HOC EXPERT GROUP ON MANPOWER

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 VIENNA 05204 02 OF 03 081255Z

TRAINING. THIS WAS WATERED DOWN AT GROUP D INSISTENCE TO AN INTER-SECRETARIAT WORKING GROUP. EXECUTIVE DIRECTOR IS TO REPORT ON RESULTS OF WORKING GROUP TO IDB-XIII "WITH A VIEW TO RECOMMENDING, IF APPROPRIATE, THE CONVENING OF A CONSULTATION MEETING."

(F) TERMS OF REFERENCE OF PANEL ON LEATHER AND LEATHER

PRODUCTS INDUSTRY. THESE WERE APPROVED WITH MODIFICATIONS PROPOSED BY GROUP D RE MEMBERSHIP ON PANEL WHICH DE- EMPHASIZE TO SOME EXTENT PARTICIPATION IN FIRST CONSULTA- TION AS A CRITERION FOR SELECTION AND PROVIDE THAT EXECUTIVE DIRECTOR SHOULD CONSULT "WITH GOVERNMENTS OR WITH INSTITUTIONS OR ENTERPRISES, AS APPROPRIATE" IN SELECTING MEMBERS.

(G) FINANCING PARTICIPATION BY LEAST DEVELOPED COUNTRIES (LLDC). AFTER WORKING GROUP HAD DISPOSED OF OTHER ITEMS, G-77 PROPOSED AGREEMENT ON FINANCING OF AT LEAST ONE PARTICIPANT FROM EACH LLDC. WHEN THIS RAN INTO OPPOSITION FROM U.S. AND OTHERS AS PREMATURE AT BEST, G-77 THREATENED TO RAISE ISSUE IN PLENARY AND PRESS IT TO A VOTE, IF NECESSARY. WORKING GROUP BROKE UP ON THIS NOTE. SHORTLY THEREAFTER PHILIPPINE AMBASSADOR MET WITH U.S., FRG, AND NETHERLANDS REPS PRIVATELY AND WORKED OUT FOLLOWING LANGUAGE WHICH PROVED GENERALLY ACCEPTABLE AND AVOIDED FLOOR FIGHT: SECRETARIAT WILL SUBMIT TO PC-XII AND IDB-XIII "A REPORT ON THE FINANCIAL ASPECTS OF UNIDO RELATED TO THE SYSTEM OF CONSULTATIONS OF A LIMITED NUMBER OF PARTICIPANTS FROM LEAST DEVELOPED COUNTRIES WHO WOULD OTHERWISE NOT BE ABLE TO PARTICIPATE OWING TO FINANCIAL CONSTRAINTS." WE CANNOT YET PREDICT WHAT SECRETARIAT REPORT WILL SAY ABOUT SUCH FINANCING (SPECIAL CONTRIBUTIONS TO IDF MIGHT BE ONE POSSIBILITY) BUT WE CAN EXPECT THE G-77 TO CONTINUE TO PUSH THE MATTER.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 VIENNA 05204 03 OF 03 081255Z
ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-11
AID-05 CIAE-00 COME-00 EB-08 FRB-01 INR-10
NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07 CEA-01
AGRE-00 DOE-15 SOE-02 L-03 OIC-02 OES-07 /193 W
-----113450 081317Z /45

R 081229Z JUN 78
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 6707
INFO USMISSION GENEVA
USMISSION USUN NEW YORK

UNCLAS SECTION 03 OF 03 VIENNA 05204

TO PC-XII AN ANALYTICAL REPORT ON EXPERIENCES GAINED SO FAR WITH THE SYSTEM OF CONSULTATIONS AND SUGGESTIONS ON APPROPRIATE CRITERIA TO BE USED IN SELECTING INDUSTRIAL SECTORS FOR CONSULTATION. LATTER WAS A DUTCH INITIATIVE. AS REPORTED SEPTEL, QUESTION OF UNCTAD/UNIDO AD HOC EXPERT GROUP WAS DEFERRED TO PC-XI.

6. PLEASE MAKE FOLLOWING CORRECTIONS IN FOREGOING PARAGRAPHS:

IN PARA 3, SECOND SEGMENT OF QUOTED U.S. STATEMENT, INSERT AFTER "LABOR REPRESENTATIVES" THE WORDS "AND OTHER NON-GOVERNMENTAL PARTICIPANTS."

IN PARA 5(A), LAST PART OF FIFTH SENTENCE SHOULD READ "17 FOR AGRICULTURAL MACHINERY, 16 FOR AGRO-BASED INDUSTRIES, 15 FOR PETROCHEMICALS, 6 FOR PHARMACEUTICALS, 5 FOR CAPITAL GOODS."

IN PARA 5(G), FIRST PART OF QUOTE IN FIFTH SENTENCE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 VIENNA 05204 03 OF 03 081255Z

SHOULD READ "A REPORT ON THE FINANCIAL ASPECTS OF THE CURRENT AND ENVISAGED ACTIVITIES OF UNIDO RELATED TO THE SYSTEM OF CONSULTATIONS, INCLUDING THE POSSIBILITY OF FINANCING THE PARTICIPATION IN THE SYSTEM OF CONSULTATIONS OF A LIMITED NUMBER....." LEARY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 08 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978VIENNA05204
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780239-0815
Format: TEL
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780679/aaaacqch.tel
Line Count: 310
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dff7c58c-c288-dd11-92da-001cc4696bcc
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2426231
Secure: OPEN
Status: NATIVE
Subject: IDB-XII, US DEL REPORT ON CONSIDERATION OF SYSTEM OF CONSULTATIONS UNDER AGENDA ITEM 8
TAGS: OCON, UNIDO
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/dff7c58c-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014